



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

**Drafting Number:** LLS 22-0925  
**Prime Sponsors:** Rep. Herod  
Sen. Hansen

**Date:** March 28, 2022  
**Bill Status:** House Appropriations  
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**Bill Topic:** **MODIFY DOR MOTOR VEHICLE-RELATED FUNCTIONS FUNDING**

**Summary of Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

**Budget package bill.** The bill modifies funding sources for two divisions in the Department of Revenue. Starting in FY 2022-23, the bill repeals an annual transfer from the Marijuana Tax Cash Fund, and shifts appropriations to the Department of Revenue from the Licensing Services Cash Fund to the Highway Users Tax Fund. On net, it will not change state expenditures.

**Appropriation Summary:**

For FY 2022-23, the bill includes an appropriation increase of \$1.26 million and a corresponding decrease of \$1.26 million to the Department of Revenue, resulting in no net change in appropriations.

**Fiscal Note Status:**

The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2022-23 Long Bill package.

**Table 1**  
**State Fiscal Impacts Under HB 22-1338**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>		-	-
<b>Expenditures</b>	Highway Users Tax Fund	\$1,261,000	\$1,261,000
	Licensing Services Cash Fund	(\$1,261,000)	(\$1,261,000)
	<b>Net Expenditures</b>	<b>\$0</b>	<b>\$0</b>
<b>Transfers</b>	Marijuana Tax Cash Fund	\$1,401,000	\$1,401,000
	Licensing Services Cash Fund	(\$1,401,000)	(\$1,401,000)
	<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Budget Impacts</b>		-	-

## Summary of Legislation

The Hearings Division and the Division of Motor Vehicles in the Department of Revenue (DOR) are currently appropriated funding from the Licensing Services Cash Fund, which receives an annual transfer of \$1.40 million from the Marijuana Tax Cash Fund. This bill repeals this annual transfer and shifts \$1.26 million in appropriations for these divisions from the Licensing Services Cash Fund to the “Off the Top” portion of the Highway Users Tax Fund (HUTF).

## State Transfers

The bill repeals an annual statutory transfer from the Marijuana Tax Cash Fund to the Licensing Services Cash Fund that was scheduled to begin on July 1, 2022. This repeal reduces annual cash fund transfers to the Licensing Services Cash Fund in the DOR by \$1.4 million starting in FY 2022-23.

## State Expenditures

On net, the bill does not change state expenditures in the DOR, based on the amounts expected to be appropriated to the Hearings Division and the Division of Motor Vehicles in the FY 2022-23 Long Bill. Instead, it reduces \$1.26 million in appropriations from the Licensing Services Cash Fund and increases appropriations by the same amounts from the HUTF. See the State Appropriations section below.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2022-23, the bill includes the following appropriations to the Department of Revenue:

- an increase of \$1,261,000 from the Highway Users Tax Fund, including \$548,000 to the Division of Motor Vehicles and \$713,000 to the Hearings Division; and
- a decrease of \$1,261,000 from the Licensing Services Cash Fund, including \$548,000 to the Division of Motor Vehicles and \$713,000 to the Hearings Division.

## State and Local Government Contacts

Revenue

Treasury

Joint Budget Committee Staff